

Message Text

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TO SECSTATE WASHDC PRIORITY 7836

INFO AMEMBASSY BELGRADE

AMEMBASSY BERLIN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY MOSCOW

AMEMBASSY SOFIA

AMEMBASSY WARSAW

USMISSION NATO

S E C R E T SECTION 1 OF 2 PRAGUE 0698

E.O. 11652: GDS

TAGS: PFOR, US, CZ

SUBJECT: ANNUAL POLICY ASSESSMENT FOR CZECHOSLOVAKIA

REF: STATE 9732; STATE 32826

1. OUR PREVIOUS STATEMENTS OF POLICY OBJECTIVES REMAIN VALID, BUT OUR EXPECTATIONS ABOUT THEIR ATTAINMENT ARE CONSIDERABLY ATTENUATED IN 1975 COMPARED TO 1974. THERE IS NO BLINKING THE FACT THAT THE TRADE ACT OF 1974, WITH ITS SECTION 408 (THE LONG-GRAVEL AMENDMENT) DIRECTED SPECIFICALLY AGAINST CZECHOSLOVAKIA, HAS PUT AHOLD UPON PROGRESS TOWARDS NORMALIZING US-CZECHOSLOVAK RELATIONS.

2. INTERNAL POLITICS IN CZECHOSLOVAKIA REMAIN IN A CURIOUS STATE OF SUSPENDED ANIMATION, SOMEWHAT CORRESPONDING TO THE CONDITION OF AILING PRESIDENT SVOBODA. THIS IS STILL AN OCCUPIED COUNTRY, AND THE SHADOW OF 1968 IS STILL DARK; BUT ACCEPTANCE OF THE SITUATION IS NEARLY UNIVERSAL, AND MOST CZECHS AND SLOVAKS BELIEVE GUSTAV HUSAK IS THE BEST

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THEY ARE LIKELY TO GET. WE BELIEVE THOSE TOUGHER IN OUT-

LOOK THAN HE CONTINUE TO TO EXERT PRESSURE ON HIM, BUT HE SEEMS TO RETAIN BREZHNEV'S SUPPORT, AND HE LOOKS TO BE IN CONTINUING CONTROL. SHOULD HE ACCEDE TO THE PRESIDENCY WHILE REMAINING PARTY CHIEF WHEN SVOBODA PASSES ON, AS MOST PUNDITS PREDICT, HE WOULD STILL RETAIN CONTROL, AT LEAST IN THE NEAR TERM. DESPITE ECONOMIC AND MORALE PROBLEMS, THEREFORE, THE MAIN LINES OF HUSAK'S POLICY ARE APT TO CONTINUE.

3. ON THE INTERNATIONALSCENE, CZECHOSLOVAKIA IS MAKING PROGRESS TOWARDS EMERGING FROM THE SHADOW OF 1968. THE IMPROVEMENT OF RELATIONS WITH THE FRG AND AUSTRIA IN 1974 AND EARLY 1975 WAS TANGIBLE, AND THINGS ARE LOOKING UP WITH FRANCE AND THE UK. LOCKED IN BY SOVIET FOREIGN POLICY POSITIONS IN ALL SPHERES, CZECHOSLOVAKIA CAN ASSERT ITS OWN IDENTITY ONLY IN CERTAIN BILATERAL RELATIONSHIPS, ESPECIALLY IN HEALING THE WOUNDS OF WORLD WAR II. THUS THE STEPS FORWARD WITH THE FRG AND AUSTRIA WERE OF ESPECIAL SIGNIFICANCE, AND THUS THE DISAPPOINTMENT OF THE COLLAPSED US CLAIMS AGREEMENT -- DENYING CZECHOSLOVAKIA HER GOLD AND POSTPONING FURTHER HER HOPES FOR A NORMAL TRADING RELATIONSHIP WITH THE US -- WAS PARTICULARLY BITTER.

4. WHERE THINGS NOW STAND IS THAT THE US SIDE IS RE-EXAMINING THE WHOLE RANGE OF QUESTIONS TIED TO THE TRADE BILL AS IT AFFECTS EASTERN EUROPE, WHILE THE CZECHOSLOVAK SIDE IS HOLDING THE LINE ON ITS RELATIONS WITH US UNTIL SOME CHANGES OCCUR IN THE CLAIMS PICTURE. THE CZECHOSLOVAKS ARE AWARE THAT WORKING THIS OUT WILL TAKE SOME TIME, AND THEY HAVE ADOPTED A CIVILIZED TONE, SAYING NO DOORS ARE SHUT AND THEY ARE READY FOR A FURTHER DIALOGUE WHEN WE ARE. WHILE NOTIFYING US THAT THE TRADE ACT PREVENTS ANY MAJOR STEPS NOW, THEY ARE SHOWING IN SMALL WAYS THEIR WILLINGNESS TO AVOID DETERIORATION IN RELATIONS AND TO KEEP NORMAL INTERCHANGE GOING. THE CONCRETE EFFECTS OF THE TRADE ACT TO DATE SEEM TO BE: (A) DELAY IN REOPENING THE US CONSULATE GENERAL IN BRATISLAVA (AND THEIRS IN CHICAGO); (B) DELAY IN RATIFYING THE CONSULAR CONVENTION; (C) A HALT TO PROGRESS ON THE DIVIDED FAMILIES QUESTION; (D) A HOLD ON PROSPECTS FOR TRADE EXPANSION; (E) A NEGATIVE ATTITUDE TOWARDS ANY MAJOR NEW CULTURAL EXCHANGES. AT THE SAME TIME, IN A NUMBER OF SMALL
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WAYS, THE CZECHOSLOVAKS HAVE ACTED TO KEEP ROUTINE EXCHANGES GOING AND TO KEEP THE ATMOSPHERE READY FOR A RESUPTION OF FORWARD MOVEMENT WHEN THE TIME IS RIPE. TWO RECENT INDICATORS ON THE POSITIVE SIDE ARE (A) PRIME MINISTER STROUGAL'S MODERATE PRESENTATION OF THE US-CZECHOSLOVAK SITUATION IN HIS MAJOR SPEECH OF MARCH 25 TO THE FEDERAL ASSEMBLY (WHOSE POSITIVE TONE THE FOREIGN MINISTER CALLED SPECIFICALLY TO OUR ATTENTION), AND (B) CZECH STEPS TO HELP

COMMEMORATE THE ROLE OF THE US ARMY IN LIBERATING CZECHOSLOVAKIA
IN 1945.

5. PROPOSED COURSES OF ACTION DURING 1975:

(A) MOST IMPORTANT, TO ATTEMPT TO MOVE TOWARDS RECONSIDERATION OF THE CLAIMS AGREEMENT. TO BE REALISTIC, IT MUST BE RECOGNIZED THAT SUCH RECONSIDERATION AWAITS PROGRESS ON THE SOVIET FRONT. WHILE THE EXECUTIVE AND LEGISLATIVE BRANCHES ARE WORKING ON THIS MATTER, HOWEVER, AND WHILE DISCUSSION WITH THE USSR IS UNDERTAKEN, WE WOULD HOPE THAT PRELIMINARY STEPS COULD BE TAKEN TO OBTAIN AN AGREED EXECUTIVE-LEGISLATIVE POSITION ON WHAT RENEGOTIATION OF THE CLAIMS AGREEMENT MUST BE. ALTHOUGH IT IS DIFFICULT TO FORESEE NOW THE SPECIFIC FRAMEWORK OF US-CZECHOSLOVAK "RENEGOTIATIONS" (WHICH WILL OF COURSE NOT BE CALLED BY THAT TERM), IT APPEARS THAT BOTH A RECONSIDERED CLAIMS AGREEMENT AND A NEWLY CONSIDERED TRADE AGREEMENT MUST BE PART. IF SUCH A PACKAGE CAN BE DISCUSSED WITH THE CZECHOSLOVAKS SOMETIME DURING 1975, WE BELIEVE THAT THERE IS SOME CHANCE OF GETTING AROUND THE PRESENT IMPASSE. AND WE BELIEVE STRONGLY THAT IT IS IN THE US INTEREST TO DO SO.

(B) SECONDLY, WE SHOULD KEEP AFTER THE CZECHOSLOVAKS IN AN EFFORT TO CONVINCE THEM THAT INTRANSIGENCE ON THE CONSULAR CONVENTION AND ON THE CONSULATE GENERAL IN BRATISLAVA HAS A NEGATIVE RATHER THAN POSITIVE EFFECT. WHILE WELCOMING ANY SMALL POSITIVE STEPS FROM THEIR SIDE (E.G. THEIR IMPROVED ATTITUDE ABOUT RECOGNITION OF THE US ROLE IN LIBERATING CZECHOSLOVAKIA IN 1945. WE SHOULD LOOK FOR SMALL WAYS TO AMELIORATE THE BILATERAL ATMOSPHERE OURSELVES. A PRIME

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CANDIDATE IS MUTUAL ABOLITION OF CLOSED AREAS, TO WHICH THE EMBASSY RECOMMENDS IMMEDIATE ATTENTION BE GIVEN. ANOTHER POSSIBILITY, IF THE LONG-GRAVEL FREEZE STARTS TO THAW, WOULD BE NEGOTIATION OF A CULTURAL-SCIENTIFIC-TECHNICAL AGREEMENT. WE BELIEVE SUCH AN AGREEMENT WOULD BE IN THE US INTEREST, AND RECOMMEND THAT NEGOTIATIONS FOR IT BE UNDERTAKEN WHEN SOUNDINGS INDICATE THE THE CZECHOSLOVAK SIDE IS READY TO TALK.

(C) THIRDLY, WE SHOULD CONTINUE TO BRING PARTICULARLY DESERVING DIVIDED FAMILY CASES TO THE ATTENTION OF THE FOREIGN MINISTRY.

(D) WE SHOULD ALSO CONTINUE TO MENTION OBJECTIONABLE PRESS COVERAGE OF US AFFAIRS, LETTING THE CZECHOSLOVAKS KNOW THAT THEIR ATTITUDE IN THESE MATTERS DOES HAVE A TANGIBLE EFFECT ON US ATTITUDES.

(E) ON THE COMMERCIAL FRONT, WE SHOULD ENCOURAGE THE CZECHOSLOVAKS TO CONTINUE IN THEIR MODEERATE LINE AND NOT TO RETALIATE AGAINST US COMMERCIAL INTERESTS BECAUSE OF LONG-GRAVEL. WE SHOULD ALSO MAINTAIN AN ACTIVE TRADE PROMOTION PROGRAM, WITH INDIVIDUAL COMPONENTS CAREFULLY SELECTED TO MESH WITH GREATEST MARKET NEEDS IN CZECHOSLOVAKIA. HERE IT SECRET

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SEEMS IMPORTANT THAT MOMENTUM BUILT UP OVER THE PAST THREE OR FOUR YEARS NOT BE LOST THROUGH INDIRECTION.

6. A SPECIAL WORD NEEDS TO BE SAID ABOUT THE REOPENING OF OUR CONSULATE GENERAL IN BRATISLAVA. THE CZECHOSLOVAKS HAVE BEEN CAREFUL NOT TO LINK TO REOPENING DIRECTLY TO SOME SPECIFIC STEP ON THE CLAIMS AGREEMENT. IT IS CLEAR THAT THEIR DISPLEASURE ABOUT LONG-GRAVEL IS THE REASON FOR THE HOLDUP ON BRATISLAVA; BUT THEY HAVE KEPT THEIR HANDS FREE TO ALLOW MOVEMENT AS SOON AS THE ATMOSPHERE BEGINS TO CHANGE IN GENERAL. WE SHOULD KEEP THE REOPENING OF BRATISLAVA AS A MATTER OF URGENT DESIRE ON OUR PART, AND WE SHOULD REMIND THE CZECHOSLOVAKS DISCREETLY OF OUR INTEREST, LOOKING ALWAYS FOR SOME PEG ON WHICH TO HANG A PROPOSAL FOR RECONSIDERATION OF THIS QUESTION. IN THE MEANWHILE, THE DEPARTMENT SHOULD MAINTAIN NECESSARY RESOURCE ALLOCATIONS FOR BRATISLAVA, NOT ALLOWING OUR PLANS FOR REOPENING TO SINK INTO DESUETUDE BECAUSE OF A MOMENTARY POLITICAL HOLDUP. THE COMPLEXITY OF RELATIONSHIPS BETWEEN CZECH AND SLOVAKS IS A KEY

FACTOR IN DOMESTIC POLITICS IN CZECHOSLOVAKIA, AND IT IS A MATTER OF GREAT US INTEREST TO HAVE A MISSION OPENED IN SLOVAKIA.

7. RESOURCES. CONSIDERING THE HOLDING PATTERN IN US-CZECHOSLOVAK RELATIONS AT PRESENT, PRESENT STAFFING AND FUNDING ARE BASICALLY ADEQUATE FOR PURSUING OUR STATED GOALS. AFTER CONSIDERABLE EXAMINATION OF SECURITY PROBLEMS AT THE EMBASSY, WE WOULD LIKE TO MAKE CHANGES IN 1975 OR 1976 IN PRESENT EMBASSY ACCESS PROCEDURES. ONE ADDITIONAL LOCAL EMPLOYEE WOULD BE REQUIRED TO CARRY OUT THESE PLANS, AND RELOCATION OF THE TELEPHONE SWITCHBOARD (INVOLVING POSSIBLE ACQUISITION OF A NEW BOARD) WOULD ALSO BE NECESSARY. AS IMPLIED ABOVE, RESOURCES FOR REOPENING OF BRATISLAVA SHOULD BE HELD AVAILABLE AT LEAST FOR FY 1977.

8. WE DO NOT ACCEPT THE PRESENT HOLD ON STEPS TO IMPROVE US-CZECHOSLOVAK RELATIONS AS NORMAL. THE TRADE ACT, ESPECIALLY LONG-GRAVEL, WAS INDEED A COLD SHOWER FOR THE CZECHOSLOVAKS; BUT THEY, LIKE THE SOVIETS, REMAIN COMMITTED TO THE BASIC DETENTE STRATEGY, AND THEY DO NOT WANT CZECHOSLOVAKIA EXCLUDED FROM THE BENEFITS DETENTE WITH THE US COULD BRING THEM. IT IS TRUE THAT NO ONE CAN POINT SPECIFICALLY TO ANY-
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THING USEFUL CZECHOSLOVAKIA HAS DONE RECENTLY FOR THE UNITED STATES. IT IS ALSO TRUE THAT THE EUPHORIC PERIOD BETWEEN THE JULY INITIALLING OF THE CLAIMS AGREEMENT AND THE SEPTEMBER INTRODUCTION OF LONG-GRAVEL WAS TOO SHORT TO ALLOW MORE THAN ASSURANCES THAT PROGRESS IN OTHER FIELDS WOULD FOLLOW. HOWEVER, WE BELIEVE THAT ONCE A WAY IS FOUND AROUND THE TRADE ACT IMPASSE, CONCRETE EVIDENCES OF CZECHOSLOVAK WILLINGNESS TO COOPERATE BILATERALLY WITH US WILL BE READILY SEEN. OUR BASIC AIM HERE NOW, THEN, IS TO KEEP THE ATMOSPHERE FROM DETERIORATING; TO TAKE WHATEVER SMALL STEPS WE CAN TO SHOW INTEREST IN SPECIFIC US-CZECHOSLOVAK COOPERATION; TO ASSURE THE CZECHOSLOVAKS, DISCREETLY AND AS OPPORTUNITIES ARISE, THAT WE WANT TO GET AROUND THE PRESENT IMPASSE; AND FINALLY, TO WORK BEHIND THE SCENES AS PROMPTLY AS CIRCUMSTANCES ALLOW TO PREPARE FOR RENEGOTIATION OF THE CLAIMS AGREEMENT AND RESUMPTION OF FORWARD MOVEMENT IN OUR RELATIONS WITH CZECHOSLOVAKIA.
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